released in April 2004 revealed China as the most attractive country for Foreign Direct Investment (FDI) flows followed by India, United States and Thailand.

(b) Government has put in place a liberal FDI policy and most of the sectors have been placed under the automatic route. FDI upto 100% is permitted on the automatic route for most activities/sectors except for **a** few sectors where caps have been prescribed. FDI will continue to be encouraged and actively sought, particularly in the areas of infrastructure, high technology and exports.

Shortcomings in credit delivery mechanism

1957. PROF. ALKA BALAM KSHATRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to the Basel Accord, banks in India would have to step up their credit delivery mechanism and enhance capital base;

(b) whether Government are also aware of the fact that according to a survey conducted by Federation of Indian Chambers of Commerce and Industries (FICCI), level of computerization, absence of strong internal credit rating mechanism are the basic factors responsible for poor credit delivery mechanism in India; and

(c) the details of the measures being taken/proposed to be taken to remove these shortcomings in credit delivery mechanism and to enhance the capital base of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) Yes, Sir. Risk profiling of borrowers is required for allocation of capital under Basel II apart from the point of view of risk management and efficient use of capital. In order to provide adequate and timely finance at reasonable rates to different sectors of the economy and keeping in view the imperative need for removing the bottlenecks in credit delivery mechanism, the Reserve Bank of India is making persistent efforts over the years and announced several measures in the annual policy statement of 2004-05 and the mid term review thereof. These include:—

(i) Banks were encouraged to align the pricing of credit to assessment of credit risk to improve credit delivery and credit culture by putting in place comprehensive and rigorous risk assessment of borrowers using the database available with them, as also other internal and external factors.

(ii) In order to enable the banks to determine appropriate pricing of loans to small and medium enterprises, Credit Information Bureau of India Ltd. (CIBIL) would work out a mechanism in consultation with RBI, SIDBI and IBA for development of a system of proper credit records.

(iii) The Boards of banks/FIs should review the measures taken for furnishing credit information in respect of all borrowers to CIBIL and report compliance to RBI.

(B) Yes, Sir.

Unclaimed Bank Deposits

1958. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) the total amount of unclaimed deposits in the Nationalised Banks as on 31st March, 2004;

(b) the details of unclaimed deposits as on 31st March, 2004, Bank-wise;

(c) whether any guidelines have been issued by RBI on such accounts for returning the money to the account holder or to their legal heirs; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) collects information on the amount of unclaimed deposits in inoperative accounts for 10 years, as at the end of each year, and not month-wise.

The total amount of money in unclaimed deposits with nationalised banks in India as on 31st December, 2003 in Rs. 504.21 crores approximately.